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*Your Key to Making Informed Life Altering Commitments.*

## **Letter of Engagement**

- This document is meant to give you, the client, a better understanding of what you may expect from the financial / estate planning process and / or the personal insurance review, and what our respective obligations are within that process.

In general terms, the process consists of the following six steps:

1. Define the terms of our relationship
2. Discuss your financial goals and obtain your essential financial data
3. Evaluate your situation based on the information you've provided
4. Develop and present a written plan for you to consider
5. Implement some or all of the strategies outlined in the plan
6. Monitor and revise the plan as necessary

Much of what follows in this document deals with the first point, but you will find information that relates to the other five steps as well.

- I provide comprehensive financial planning services through Richard H. Financial Corp., a company that has been established since 2003 for that purpose. We do not charge a fee for our financial planning analysis. What we do ask of you, is that if you decide to implement our recommendations, you allow us to place your investments and insurance requirements. We are paid a commission or placement fee by the various financial institutions that we place your business with.

- Since I offer both investment funds and insurance products, I work in an agent-principal relationship with different companies. I place my business with Manulife, Canada Life, RBC Insurance, Empire Life, Equitable Life, BMO, Sun Life of Canada, Industrial Alliance Pacific, Transamerica Life, Desjardins and Portfolio Strategies Corporation. If subsequent to our initial engagement there are any changes to my business affiliations or agency relationships that may have an affect on our relationship, I will inform you.

- I am required to declare any interest that may prevent me from offering disinterested advice. I am unaware of any current conflict of interest and, should any conflicts appear in the future, you may rest assured that I will bring them to your attention immediately.

- I am bound by professional secrecy and may not disclose any of your confidential information without your written consent unless required to do so by law. I will not use any client's information for personal benefit regardless of whether or not it actually causes the client harm.

- I am a Certified Financial Planner & Certified Senior Advisor and therefore have extensive knowledge in life and health insurance, estate planning, retirement planning and wealth accumulation.

- It has been agreed by all parties that all those involved in the planning process must be present at all meetings and that decisions can only be made subject to their unanimous approval. It is agreed by both the advisor and the client that telephone orders will not be accepted, and that the client must provide his or her signature as authorization for every transaction.

• Before making any recommendations, I must first have a complete picture of your current financial situation. The information I need deals with, but isn't necessarily limited to your assets; liabilities; cash flow; anticipated lump sum income or expense amounts; tax positions / returns; will and power of attorney; insurance coverage (life and general); group benefits and pension plans. If I am unable to obtain the information I require, you should understand that it could prevent me from giving you appropriate advice. If this is the case, I may be required to either revise or terminate our engagement.

• When considering the various financial strategies available in your particular situation, I may be required to make one or more assumptions. These assumptions may include, but are not limited to, your anticipated retirement age, life expectancy, retirement income requirements, government benefits, time horizons, special needs, rates of return, inflation and income tax rates. Any assumptions I make will be both reasonable and realistic, and they will be disclosed to you in writing in the financial plan.

• Having reviewed your financial situation, I will prepare a written plan for you to review. When discussing this report with you, I will do so in such a way so that you are able to understand the advantages and disadvantages of the various alternatives. The areas for discussion will be:

1. The costs
2. The risks
3. The time sensitivity of recommendations
4. The consequences of no action being taken
5. The impact of sudden change in the assumptions on the projected results

The client is obliged to inform the advisor if he or she does not understand any of the above points.

• It is agreed that a client review meeting will be conducted in person every twelve months. It is also agreed Richard H. Financial Corp. can contact you via telephone in regards to client service even though your name may appear on the National Do Not Call List.

• In the event of changes that may affect the client's personal circumstances (e.g. a change to the Income Tax Act announced in a federal budget), the advisor will contact the client by telephone or email. Should the client's financial circumstances change (e.g. as a result of marriage, separation, divorce, birth of a child, inheritance etc.) he/she is responsible for contacting the advisor as soon as possible.

Signature \_\_\_\_\_  
Name

Date \_\_\_\_\_

Signature \_\_\_\_\_  
Name

Date \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Richard R. Hearn, CFP, CSA  
Richard H. Financial Corp.